



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-201-847]

#### Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Final Results of Antidumping Duty Administrative Review; 2018-2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) finds that the producers/exporters subject to this administrative review did not make sales of subject merchandise at less than normal value during the period of review (POR) September 1, 2018, through August 31, 2019.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: David Goldberger or David Crespo, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-3693, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

This review covers 11 producers/exporters of the subject merchandise. Commerce selected two companies, Maquilacero S.A. de C.V. (Maquilacero) and Productos Laminados de Monterrey S.A. de C.V. (Prolamsa) (collectively, the mandatory respondents), for individual examination. The producers/exporters not selected for individual examination are listed in Appendix II.

On January 26, 2021, Commerce published the *Preliminary Results*.<sup>1</sup> We invited interested parties to comment on the *Preliminary Results*.<sup>2</sup> On March 8, 2021, Nucor Tubular Products Inc. (*i.e.*, the domestic interested party) and Maquilacero filed case briefs. On March 17, 2021, the domestic interested party, Maquilacero, and Prolamsa filed rebuttal briefs. On April 8, 2021, we postponed the final results until July 23, 2021.<sup>3</sup> For a description of the events that occurred since the *Preliminary Results*, *see* the Issues and Decision Memorandum.<sup>4</sup>

Commerce conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

### Scope of the Order

The products covered by the order are heavy walled rectangular welded steel pipes and tubes from Mexico.<sup>5</sup> Products subject to the order are currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) item number 7306.61.1000. Subject merchandise may also be classified under 7306.61.3000. Although the HTSUS numbers and ASTM specification are provided for convenience and for customs purposes, the written product description remains dispositive.

### Analysis of the Comments Received

All issues raised in the case and rebuttal briefs are listed in Appendix I to this notice and addressed in the Issues and Decision Memorandum. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is

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<sup>1</sup> *See Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2018-2019*, 86 FR 7067 (January 26, 2021) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

<sup>2</sup> *Id.*

<sup>3</sup> *See* Memorandum, "Extension of Deadline for the Final Results of the 2018-2019 Antidumping Duty Administrative Review," dated April 8, 2021.

<sup>4</sup> *See* Memorandum, "Issues and Decision Memorandum for the Antidumping Duty Administrative Review: Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico; 2018-2019," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>5</sup> For a full description of the scope of the order, *see* Issues and Decision Memorandum.

available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

### Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain changes to the weighted-average dumping margin calculations for Maquilacero and Prolamsa, and the companies not selected for individual review, for the final results.<sup>6</sup>

### Final Results of the Review

We are assigning the following weighted-average dumping margins to the firms listed below for the period September 1, 2018, through August 31, 2019:

<b>Producers/Exporters</b>	<b>Weighted-average Dumping Margin (percent)</b>
Maquilacero S.A. de C.V.	0.00
Productos Laminados de Monterrey S.A. de C.V.	0.00
Companies Not Selected for Individual Review <sup>7</sup>	0.00

### Review-Specific Rate for Companies Not Selected for Individual Review

The dumping margins for the exporters or producers not selected for individual review are listed in Appendix II.

### Disclosure

Commerce intends to disclose the calculations performed in connection with these final results to interested parties within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

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<sup>6</sup> See Issues and Decision Memorandum.

<sup>7</sup> Under section 735(c)(5)(A) of the Act, the all-others rate is normally “an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually examined, excluding any margins that are zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.” For these final results, we have calculated weighted-average dumping margins for Maquilacero and Prolamsa that are zero, and we have not calculated any margins which are not zero, *de minimis*, or determined entirely on the basis of facts available. Accordingly, we have assigned to the companies not individually examined a margin of zero percent. The exporters/producers subject to this review, but not selected for individual review, are listed in Appendix II.

## Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

Pursuant to 19 CFR 351.212(b)(1), where Maquilacero and Prolamsa reported the entered value of their U.S. sales, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the examined sales to the total entered value of the sales for which entered value was reported. Where Prolamsa did not report entered value, we calculated the entered value in order to determine the assessment rate. Where either the respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. For the companies which were not selected for individual review, because we are assigning these companies an assessment rate based on the cash deposit rate calculated for Maquilacero and Prolamsa,<sup>8</sup> we will instruct CBP to liquidate these entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review.<sup>9</sup>

Commerce's "automatic assessment" practice will apply to entries of subject merchandise during the POR produced by Maquilacero or Prolamsa for which the reviewed companies did not know that the merchandise they sold to the intermediary (*e.g.*, a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.<sup>10</sup>

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<sup>8</sup> This rate was calculated as discussed in footnote 7, above.

<sup>9</sup> See section 751(a)(2)(C) of the Act.

<sup>10</sup> For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

We intend to issue liquidation instructions to CBP no earlier than 41 days after the date of publication of the final results of this review in the *Federal Register*, in accordance with 19 CFR 356.8(a).

#### Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for each specific company listed above will be equal to the weighted-average dumping margin that is established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not covered in this review, the cash deposit will continue to be the company-specific cash deposit rate published for the most recently completed segment in which the company was reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation, but the producer is, then the cash deposit rate will be the cash deposit rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 4.91 percent, the all-others rate established in the LTFV investigation.<sup>11</sup> These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this

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<sup>11</sup> See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Mexico, and the Republic of Turkey: Antidumping Duty Orders*, 81 FR 62865, 62866 (September 13, 2016).

requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

#### Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

#### Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(5).

Dated: July 22, 2021.

Christian Marsh,  
Acting Assistant Secretary  
for Enforcement and Compliance.

## **Appendix I**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Margin Calculations
- V. Discussion of the Issues
  - General Issues
  - Comment 1: Deduction of 232 Duties
  - Issues Related to Maquilacero
  - Comment 2: Alleged Error in Calculating Quarterly Cost of Hot-rolled Coil (HRC)
  - Comment 3: Adjustment to Costs for Non-Prime Products
  - Comment 4: Adjustment to Maquilacero's Scrap Offset
  - Issues Related to Prolamsa
  - Comment 5: Home Market Level of Trade (LOT) and Constructed Export Price (CEP) Offset
  - Comment 6: Overrun Sales Outside the Ordinary Course of Trade
  - Comment 7: Errors in the Application of U.S. Freight Revenue
  - Comment 8: Claimed Inventory Adjustment to Raw Material Costs
  - Comment 9: Error in Standard Cost Adjustment
  - Comment 10: Change in Average Useful Life (AUL) of Certain Assets
  - Comment 11: Calculation of General and Administrative (G&A) Expense Ratio
  - Comment 12: Adjustment to Prolamsa's Scrap Offset
- VI. Recommendation

## Appendix II

### Review-Specific Rate Applicable to Companies Not Selected for Individual Review:<sup>12</sup>

<u>Exporter or Producer</u>	<u>Weighted-Average Dumping Margin (percent)</u>
Arco Metal S.A. de C.V.	0.00
Forza Steel S.A. de C.V.	0.00
Industrias Monterrey, S.A. de C.V.	0.00
Perfiles y Herrajes LM S.A. de C.V.	0.00
PYTCO S.A. de C.V.	0.00
Regiomontana de Perfiles y Tubos S.A. de C.V.	0.00
Ternium S.A. de C.V.	0.00
Tuberia Nacional, S.A. de C.V.	0.00
Tuberias Procarsa S.A. de C.V.	0.00

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<sup>12</sup> For these final results, we have calculated weighted-average dumping margins for Maquilacero and Prolamsa that are zero, and we have not calculated any margins which are not zero, *de minimis*, or determined entirely on the basis of facts available. Accordingly, we have assigned to the companies not individually examined a margin of zero percent. See section 735(c)(5)(A) of the Act.